



**WEDC**

**Strategic Plan Outreach**

**March – April, 2011**

## **WEDC STRATEGIC OUTREACH PROCESS**

Under Governor Walker's charge, Commerce leadership has been working toward fundamentally reshaping economic development in Wisconsin. The first 60 days were spent getting to know the agency and its staff, meeting with dozens of partners, stakeholders and customers, reviewing recent reports related to Wisconsin economic development, and interviewing six other states who have, or are making, the public-private partnership change. From that input, Commerce developed a draft, high-level strategic framework – mission, vision, strategies and structure for WEDC.

Over the past month, leadership has conducted outreach activities to receive input on the plan, understand issues and concerns, and glean opportunities. Commerce has met with internal WEDC staff and held eight strategic outreach sessions with 110 participants comprised of ED partners, business trade associations, educational institutions, and business leaders. In addition, Commerce leadership has presented the framework to the Governor, key state agency heads, and legislators, both individually and to the Joint Committee on Finance.

Feedback has been tremendously valuable. Outreach sessions have been informative and thought-provoking. In the coming weeks, leadership will, along with help from our partners and customers, be taking the issues and opportunities presented and begin to put form to function.

Below is a synopsis of common themes that arose out of the outreach sessions, along with some comment highlights.

### **COMMON THEMES**

#### **Wisconsin Leadership and Commerce Culture**

Issues:

Participants cite a lack of focus and the revolving door of leadership as top concerns. It is thought that Commerce and the Economic Development community in general overlap, creating confusion for businesses, and that assistance to the business community is consistently reactive rather than proactive. Decision-making is perceived as top-down and too politicized. Marketing is "Balkanized" with no cohesive state-wide brand or integrated marketing effort.

Comments on WEDC Opportunities:

- *WEDC as cheerleader for Wisconsin is critical*
- *Invest in marketing and branding – identify Wisconsin's competitive advantage*
- *Call to action - window of opportunity with Governor as business champion*
- *Develop and communicate a common mission and vision – be a role model*
- *Talk like a business then act like one*
- *Change the culture – breed excellence in staff through competitive salary & bonuses*
- *Opportunity to change the mindset from regulator to advocate*
- *Business-ready culture is needed*
- *Creating a sense of urgency is key*
- *Articulate strategy and coordinate delivery – create one playbook for all*
- *Utilize business champions/mentors*

## Accessibility and Responsiveness

Issues:

Common criticisms are that Commerce is burdened by too many programs and rules, yet also a lack of resources – both human and financial. Participants cited as disruptive the bureaucratic intake process and slow response to financing requests. Many businesses and providers said that they did not know who to go to for answers and assistance.

Comments on WEDC Opportunities:

- *Eliminating programs can make incentives more flexible and limber*
- *Decrease turnaround time – move at the speed of business*
- *Depoliticize decision making – set standards then communicate*
- *Prequalify businesses for incentives*
- *Develop more underwriting capacity – at WEDC and in the field*
- *Create a one stop-shop – one point of entry*
- *Staff-level business sponsor or mentor should be assigned to walk through process*
- *Utilize swat teams – create results teams*
- *Better transparency, visibility and predictability of process for managing projects from beginning to end*
- *Use website as portal for business projects*
- *Implement client management technology*

## Partnerships

Issues:

There is broad consensus that coordination between and among economic development delivery players in Wisconsin is unaligned and messy. Businesses often have no idea where to go for help or who does what. There is no overall strategy – no clear vision of accountability and authority, so everyone tries to fill the gaps. Subsequently, service providers often vie for credit and compete for limited resources. In addition, there are no consistent tools or cross-regional sharing of information and along with that, varying levels of competency and quality throughout the state ED delivery system.

Comments on WEDC Opportunities:

- *Aggregate economic development delivery*
- *Some set the table, some serve the food*
- *Identify the customer and who owns the customer*
- *Focus on adding value for each level – leverage core competencies – take a “portfolio” approach*
- *WEDC role should be to set common metrics for state-wide delivery*
- *WEDC should own and dictate the tools used to analyze and measure results*
- *Ensure that success is shared throughout partnership network – but remember it’s businesses that create the jobs*
- *Funding for partners should be based on deliverables and accountability*
- *Look at aligning geographic lines for service delivery*
- *Regional marketing groups shouldn’t be in the business of providing business incentives – County ED best, or regional loan funds in partnership with WEDC and County EDs*
- *WEDC should employ regional staff to facilitate partnerships*
- *Certify high-performing local ED organizations – raise all boats*
- *Leverage other statewide networks, like WMEP, WEN, UW System, Technical Colleges*

## Workforce

Issues:

Workforce quality and availability is a concern expressed frequently. Businesses have available jobs but can't find the right people; lack of talent and training hinders expansion. Workforce training assistance is fragmented and not well matched, with inconsistent coordination between the state, locals, training providers and educational institutions.

Comments on WEDC Opportunities:

- *WEDC should play strong leadership role in driving collaboration between workforce delivery services and resources, and businesses*
- *Need to focus on attracting talent to Wisconsin and plugging the brain drain*
- *Businesses go where the talent is – WEDC should play a connecting role*
- *Include Tech Colleges early in discussions with businesses to ensure training needs are met*
- *Need easy access to training dollars – one-stop shop*
- *Possibility to align ED regions and Workforce Development Board boundaries*
- *Education is key – from high school on. High schools need to support tech college as well as university educations*

## **WEDC VISION, STRUCTURE AND TOOLS**

Overall, participants were very positive about the mission, vision, goals and strategies of WEDC. Consensus was that the performance measures, while bold, were necessary to significantly make Wisconsin a business development leader. Business as the customer was often mentioned as key to success. Concerns were raised about the sustainability of WEDC - both financially and in ability to deliver. The need to identify long-term funding mechanisms, obtain buy-in from the ED and business community, and identifying early wins were stressed. Participants liked that WEDC plans to utilize advisory councils of businesses and stakeholders to inform and direct its activities.

Below are some comments around WEDC's proposed structure areas:

### **Marketing Division**

There is near universal consensus that Wisconsin has historically been very weak in its statewide marketing efforts. Participants like that WEDC is committed to a well-funded, integrated marketing strategy that includes attraction, retention, and customer service.

- *The marketing needs the muscle to back it up*
- *Be smart – invest where you get the bang for the buck*
- *Regional efforts should be in support of statewide brand and activities*
- *WEDC affords opportunity to leverage private funding*
- *Need to support a statewide site selection tool and ensure consistent protocols and access*
- *Use existing businesses to sell the state; recruit business leaders to support and promote WI businesses*
- *Don't forget to think globally - our competition is not just the US; strategically market internationally*
- *Engage in intelligence gathering to know when and where to identify and promote business opportunities*

- *Existing CEOs need to be tended to – change impressions from the inside out*
- *Differentiate Wisconsin - Adopt a “blue ocean” strategy*

## **Business Climate Division**

WEDC's intent to target resources to improving Wisconsin's business climate received positive comments in every session. Currently, Wisconsin is perceived to have a haphazard menu of programs and incentives. Participants like the focus on making Wisconsin the best place to do business and putting meaningful programs and policies in place to reduce barriers and encourage future growth.

- *Business climate improvement has to be a priority at the state level*
- *Work at 30,000 ft. level on cross-agency issues such as health care, utility costs, etc.*
- *Policies to reduce regulatory barriers are key to growth and attraction*
- *Benchmark best practices and implement innovative solutions*
- *Leveraging more federal resources is something we need to do better*

## **Innovation and Entrepreneurship Division**

Participants like some of Wisconsin's existing early stage programs such as the Act 255 tax credits for angel and venture funds, but stress that further work needs to be done to increase access to capital, especially in the earliest stages, to focus on an innovation culture, R&D and early commercialization, and to leverage partnerships with the entrepreneurship and technology community.

- *Need to create an innovation culture, target training around entrepreneurship*
- *Better connections between research institutions and economic development resources needed*
- *A more coordinated approach to increasing venture capital and angel investments must be implemented*
- *Make more matching funds available to leverage SBIR/STTR*
- *Research and grow emerging markets*
- *Need to compete with other states in attracting and growing venture capital*
- *WEDC should develop an evergreen fund and other equity vehicles for early stage investment*

## **Business Development Division**

Participants are generally excited that incentives will be more flexible and responsive to business – and that more funding will be available. They like that aligning the service delivery system is a primary goal of the business development division. When focusing on expansion, WEDC is cautioned not to forget that activities geared toward the retention of existing businesses will ensure the long-term health of Wisconsin's economy.

- *Growing existing Wisconsin businesses will account for 80% of new jobs*
- *Target resources to areas with the highest ROI*
- *Make incentives match business needs*
- *Don't just concentrate on urban areas – significant growth happens in rural areas and with small businesses*
- *Concentrate on export development growth*
- *Shift direct financial resources to county ED level – “boots on the ground”*
- *Dictate a state-wide business retention tool*
- *Empower staff and local ED decision-making*
- *Promote lean and next generation manufacturing – not all can be about new jobs*

- *Promote the creation of quality jobs – not just quantity*
- *Main Street Program contributes to quality of place and has proven results*
- *Community infrastructure is an important component of economic development, including brownfields redevelopment, development-ready sites*

## **Industry Sector Division**

Comments were favorable for the WEDC approach to industry development. Participants like the grassroots, industry led approach, and also the focusing of resources on high-impact industry projects.

- *Don't need any more top-down old-school cluster strategies*
- *Like the organic approach – business knows best*
- *A quarterback approach to bringing resources to bear is needed*
- *Ability to focus on supply-chain development*

## **Finance & Administration Division**

Participants like that WEDC is committed to providing the tools, technology and training to support an extended ED enterprise, and is focused on attracting and keeping top talent.

- *Investment in infrastructure must be a priority*
- *WEDC should lead in directing and providing ED tools such as CRM, Site Selection, Business Retention Survey*
- *Can provide all with real time data to inform decision-making –and make all accountable*
- *Will help level the playing field across the state*
- *Act like a business – recruit, train, measure and compensate employees*

***For more information please email WEDC at [COMWEDCTransition@wisconsin.gov](mailto:COMWEDCTransition@wisconsin.gov)***